
Capital Budget Committee

HB 3314

Brief Description: Concerning loans made by the community economic revitalization board.

Sponsors: Representatives Ormsby, Haler, Schual-Berke and Hunt.

Brief Summary of Bill

- Allows the Community Economic Revitalization Board (CERB) program to provide financial assistance to infrastructure projects that support affordable housing.
- Creates an appropriated account called the Affordable Housing Infrastructure Account.

Hearing Date: 2/5/08

Staff: Nona Snell (786-7153).

Background:

The Community Economic Revitalization Board (CERB) is a competitive program within the Department of Community, Trade and Economic Development that was created by the Legislature in 1982 to provide low-interest loans and grants to finance local public economic development infrastructure necessary to develop or retain stable business and industrial activity. The local infrastructure includes industrial water, general-purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads, and bridges.

The projects eligible for the CERB loans and grants are linked to targeted business sectors in manufacturing, food processing, assembly, warehousing, industrial distribution, advanced technology, research and development, and recycling facilities. Political subdivisions and federally-recognized Indian tribes are eligible for the loans and grants.

Summary of Bill:

The CERB program is expanded to include infrastructure projects that support affordable rental and owner-occupied housing. These projects include the construction, repair, reconstruction,

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replacement, and rehabilitation of sidewalks, streets, roads, bridges, power utilities, water systems, storm and sanitary sewage systems, and solid waste facilities.

The CERB may provide financial assistance for affordable housing projects only when they demonstrate evidence that: 1) additional residential or mixed-use development will occur in an urban growth area; 2) the proposed mixed-use residential development is within one-half mile of a transit station; and 3) moderate or high-density housing developments will be constructed.

Affordable rental housing is defined as rental housing units affordable to and occupied by households with incomes less than 80 percent of the median income for housing located outside of high-cost areas, or equal to the median income for housing located within high-cost areas.

Affordable owner-occupied housing is defined as housing affordable to and occupied by households with incomes less than 115 percent of the median income for housing located outside of high-cost areas, or one 150 percent of the median income for housing located within high-cost areas.

High-cost areas are defined as a county where the third quarter median house price for the previous year, as reported by the Washington Center for Real Estate Research at Washington State University, is equal to or greater than 130 percent of the statewide median house price published during the same time period.

The CERB is authorized to provide loans or grants for the acquisition of real property when the acquisition is directly related to the development of affordable rental and owner-occupied housing.

An appropriated account called the Affordable Housing Infrastructure Account is created.

Appropriation: None.

Fiscal Note: Requested on 1/30/08.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.